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FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Operation in Somalia (A/47/607). During its consideration of the item, representatives of the Secretary-General provided additional information to the Advisory Committee.

2. The Security Council, by its resolution 751 (1992) of 24 April 1992, decided to establish, under its authority, a United Nations Operation in Somalia (UNOSOM) and requested the Secretary-General immediately to deploy a unit of 50 United Nations observers to monitor the cease-fire in Mogadishu, as described in his report (S/23829 and Add.1-2). The Security Council, by its resolution 767 (1992), approved the Secretary-General's proposal (see S/24343) to establish four operational zones in Somalia as part of the consolidated United Nations Operation in Somalia. Following consideration of the Secretary-General's report of 24 August 1992 (S/24480) on the findings of the technical team and his recommendations of an enlargement of UNOSOM, the Security Council, by its resolution 775 (1992), authorized an increase in the strength of UNOSOM up to 3,500 all ranks, including the security unit of 500. The Security Council agreed subsequently (S/24532) to the Secretary-General's proposal to provide three specialized units for logistic, communications and medical support at up to 719 all ranks, further increasing the total strength of UNOSOM to 4,219 all ranks.

3. As indicated in section II of the report, the Advisory Committee, by a letter to the Secretary-General dated 20 May 1992, concurred with his proposal to enter into commitments of up to $7,410,000 under the terms of General Assembly resolution 46/187 of 20 December 1991 to set up UNOSOM and to provide for its maintenance during the initial two-month period. The Advisory Committee further concurred, by a letter dated 14 September 1992, with the

Secretary-General's proposal to enter into additional commitments in the amount of $10 million to provide for the most urgent requirements of UNOSOM until October 1992, following the Security Council's authorization to increase the troop strength of the operation, pending the submission of detailed cost estimates. In that connection, the Committee was informed by representatives of the Secretary-General that resources totalling $5 million were temporarily used from the Trust Fund in Support of United Nations Peacemaking and Peace-keeping Activities.

4. The Secretary-General estimates the total cost of UNOSOM for the period from 1 May 1992 to 31 October 1993, including the pre-implementation phase, at $208,122,700 gross ($204,585,700 net) (para. 13). The expenditure for the period from 1 May to 31 October 1992, including pre-implementation costs, is projected at $6,953,100 gross ($6,741,600 net). A breakdown of the cost estimates is contained in annex I to the Secretary-General's report with supplementary information for the period from 1 May to 31 October 1992 in annex II. Annex III provides a breakdown of the cost estimates for the first and second six months of the period from 1 November 1992 to 31 October 1993 in the amounts of $117,154,500 gross ($115,626,800 net) for the period from 1 November 1992 to 30 April 1993, including certain one-time start-up costs, and $84,015,100 gross ($82,217,300 net) for the period from 1 May to 31 October 1993; supplementary information is provided in annexes IV and V. The proposed civilian staffing table and the civilian staff and related costs of UNOSOM are contained in annexes VI and VII, with the proposed vehicle establishment in annex VIII and a map of the operational area in annex IX.

5. The operational plan of UNOSOM is summarized in paragraphs 15 and 16 of the Secretary-General's report on the basis of general assumptions contained in paragraphs 17 to 21. In section IV of his report, the Secretary-General states that one Member State has provided to UNOSOM a voluntary contribution in kind in the form of an airlift for the emplacement of military personnel; no budgetary provision has been made for the emplacement of troops during the period from 1 May to 31 October 1992 (annex II, para. 16). The Committee was further informed that another Member State would provide hospital equipment and its transportation free of cost, which will result in savings (annex II, para. 58, and annex IV, para. 77).

6. The Secretary-General recommends in section V of his report the establishment of a special account for UNOSOM under financial regulation 6.6. The Secretary-General further states that, should the mandate of UNOSOM be extended by the Security Council, appropriate additional accounting arrangements may be proposed to the General Assembly (para. 23).

7. In that connection, the Committee recalls that the Secretary-General had recommended to the Security Council to consider establishing UNOSOM for an initial period of six months (S/23829, para. 62). The Security Council, in paragraphs 1 and 2 of its resolution 751 (1992), took note with appreciation of the report of the Secretary-General of 21 April 1992 (S/23829 and Add.1-2) and decided to establish UNOSOM under its authority. Up to now, therefore, the Security Council has not specified the length of the mandate for UNOSOM.

The Committee was informed that it was normal for the troop-contributing States to provide their contingent personnel for six months and it was assumed by the Secretary-General that the mandate period for UNOSOM would extend for another six-month period beyond 31 October 1992. The Committee was further informed that the Secretary-General intended to submit a report to the Security Council on the situation in Somalia within the next six months and that he would also prepare a performance report on UNOSOM for the period from 1 May 1992 to 30 April 1993. As pointed out by the Board of Auditors, careful determination of the financial period and the assessment period of a peace-keeping operation is important in ensuring budgetary control and financial management of the operation. The Committee considers it important that the question of the duration of the mandate should be resolved as soon as possible.

8. The Advisory Committee undertook a careful and detailed examination of the cost estimates for UNOSOM, including the supplementary information thereon as set out in the annexes to the Secretary-General's report. The report on the financing of UNOSOM was difficult to analyse for a number of reasons. The report, which was issued on 11 November 1992, does not contain detailed information on budget performance for the initial six-month period of UNOSOM, which would have been useful in assessing future requirements.

9. The Committee further notes that there is insufficient specific and detailed information in the report under a number of items, which make it difficult to assess the estimated requirements. Furthermore, the budget document does not contain information on the difficult conditions in the mission area, which constrain the launching of the operation, nor on inter-agency cooperation in the context of the humanitarian assistance programme. Upon inquiry, the Committee was provided with the report on the United Nations 100-day action programme for accelerated humanitarian assistance for Somalia, dated 10 October 1992.

Expenditure from 1 May to 31 October 1992

10. With regard to the mission subsistence allowance for all military observers and international staff, provision is made for 5,054 person days in the amount of $490,000 (annex II, paras. 2 and 9). As regards the 500-strong security force, standard troop reimbursement of $689,000 is based on a period of 1.3 months at standard rates (annex II, para. 12). Upon inquiry, the Committee was informed that the deployment of the 50 military observers, authorized by Security Council resolution 751 (1992) of 24 April 1992, could be completed only on 23 July 1992 and the security force, authorized by the Council on 14 August 1992 (S/24452), was fully deployed by the end of September.

11. As regards civilian personnel costs, provision is made for 45 international staff, including 13 Professional staff (annex II, para. 19, and annex VII). The Committee points out that the budget document does not contain a staffing table for the initial six-month period and the functional responsibilities of the Professional staff are not indicated in the report (see para. 26 below).

12. According to annex II, paragraph 5, about 70 per cent of the international civilian staff will come from New York and the remaining 30 per cent will travel from Europe or the Middle East; however, the Committee was informed that only 20 out of 45 international civilian staff of UNOSOM, or 44 per cent, were from New York. The Committee recalls that the salaries and staff costs for international staff are based on standard salary costs for New York (annex II, para. 6), which are on average higher than those from other duty stations (see A/46/904, para. 11, on the United Nations Observer Mission in El Salvador (ONUSAL)).

13. With regard to rations for 500 contingent personnel at the rate of $7.50 per person per day ($155,000), the Committee was informed that the rate was based on expenditures in previous operations and troop contributors would be reimbursed accordingly. The Committee recommends to indicate in future reports the elements for calculation of the rations, which vary in each operation.

14. The Committee notes that some 200 local personnel have been recruited for the initial six-month period at $200,000 (annex II, paras. 20 and 54). These include people recruited under special service agreements as well as local security personnel. The Committee believes that it would have been useful to indicate in the budget document the number of local staff recruited for the various functions, the duration of their employment and the rates of their services. The Committee was informed that an amount of $17,000 per month was currently being spent on local security arrangements for the hire of personnel known as "local security escort protection".

15. With regard to premises, the Committee notes that provision is made for the rental ($238,000) and maintenance ($19,000) of 19 premises in Mogadishu for the initial six months. Upon inquiry, the Committee was informed that government-owned premises were not available for UNOSOM and the estimates are based on costs incurred by other agencies operating in the mission area. Furthermore, the Committee was informed that co-location with other agencies was not practical.

16. The Committee notes that provision is made for the rental of 14 vehicles for 166 days at a daily rate of $65 in the amount of $151,500 (annex II, para. 30). The Committee notes that the rental costs for one vehicle for about six months amount to $10,822 compared to the budgeted purchase price of a four-wheel drive jeep of $18,000 (annex IV, para. 35). The Committee reiterates its view that the early acquisition of new vehicles would be more cost-effective than rental for an extensive period.

17. With regard to the proposed replacement of the current INMARSAT communications terminal by a VSAT earth station estimated at $800,000 as a preliminary requirement (annex II, para. 42), the Committee was informed that the United Nations standard procedure was first to install INMARSAT terminals in the mission area and subsequently to replace them by a VSAT earth station while continuing some INMARSAT terminals, as required. The Committee was further informed that, owing to the recent large increase in peace-keeping operations, no communications equipment was available from other missions.

18. Subject to the comments contained in the paragraphs above, the Committee recommends approval of the estimate of $6,953,100 gross ($6,741,600 net) for UNOSOM for the period from 1 May to 31 October 1992, which had expired prior to review by the Committee.

Cost estimates from 1 November 1992 to 30 April 1993

19. The Committee is of the view that the "accommodation-provided" mission subsistence allowance of $97 per day for all military observers and international staff is high compared with the daily subsistence allowance for Somalia of $117 (without accommodation), effective 1 November 1992 (ICSC/CIRC/DSA/210). The Committee was informed that the mission subsistence allowance included a high element for incidentals such as medicine, clothes and food, and also compensated for hardship in the mission area. Representatives of the Secretary-General further stated that a survey of the situation in Somalia was taking place at present and that the current rates would be revised accordingly. The Committee believes that there is potential for savings under the item.

20. The Committee was informed that some of the general assumptions of UNOSOM have changed and was provided with a revised deployment schedule of troops as at 9 November 1992 superseding the original timetable (annex IV, para. 5) and subject to further change, as necessary. In this connection, the Committee was informed that the deployment conditions in Somalia had deteriorated recently to an extent that might jeopardize the launching of the operation as planned. The Committee was further informed that the newly appointed Special Representative of the Secretary-General in Somalia would soon make recommendations to the Secretary-General concerning the deployment of troops and any changes in the operation, as appropriate, following his current assessment "on the ground" and after consultation with the parties concerned.

21. According to the revised schedule, the deployment of four battalions would be delayed for several weeks. The Committee was further informed that at present no troop contributor had been identified to provide certain logistic units, which are at present projected to consist of elements at a combined reduced strength of 641 compared to 719, and that deployment would have to be delayed for some time. Upon inquiry, the Committee was informed that the reductions of the logistics units and the late deployment of troops according to the current revised plan would reduce the estimate under contingent personnel by a total of $3,120,600.

22. The Committee is of the view that there may be savings under contingent-owned equipment owing to the projected reduction in the logistics unit. The Committee reiterates its view that there is a need to provide more information on contingent-owned equipment, including an inventory list (see para. 32 below). In that connection, the Committee was informed that a consultant had been hired to categorize the current contingent-owned equipment and to review the schedule of reimbursement (which was established in 1978), as recommended by the Committee in its report on the United Nations Protection Force (UNPROFOR) (A/46/893, para. 15). Furthermore, the Committee recalls its

observation in its recent report on the reports of the Board of Auditors (A/47/500, para. 52):

> "In particular, the Advisory Committee recommends that an appropriate schedule for proper valuation and depreciation of property should be established and procedures pertaining to the schedule should be strictly adhered to. In this connection, the Advisory Committee agrees with the Board's views that an effective basis be established for the determination of the depreciated values of non-expendable property ... and valuation of contingent-owned equipment ... In this regard, the Committee draws attention to paragraph 13 of General Assembly resolution 45/258 of 3 May 1991."

23. With regard to rations, the Committee notes that the daily rate has increased from $7.50 during the initial six months (annex II, para. 14) to $12.60 per person per day, consisting of $7.20 for ration, $0.98 for water and $4.42 for transportation (annex IV, para. 14). Upon inquiry, the Committee was informed that troops arrived in the mission area without fresh rations, which are mostly not available in the region and have to be imported by a supply company, entailing transportation charges to the points of entry in Somalia. The Committee was further informed that the provision had been made for three months until competitive bidding for the provision and transportation of rations could be arranged.

24. The Committee notes that the civilian staff and related costs for 220 international civilian staff, including 52 Professionals, 69 General Service and 99 Field Service staff, are based on a vacancy rate of 20 per cent for the period 1 November 1992 to 30 April 1993 (annex VII). The Committee believes that it would have been useful to indicate in the budget document the proposed phasing in of civilian personnel and their actual date of arrival in the mission area as at 1 November 1992. Upon inquiry, the Committee was informed that, as at 9 November 1992, out of a total of 52 Professional staff 16 were on board and 9 under recruitment, and that out of a total of 168 Field Service and General Service staff 42 were on board and 22 ready to travel or under recruitment. In view of the considerable difficulties in recruiting qualified staff for UNOSOM, the Committee was informed that the projected vacancy rate of 20 per cent for the period from 1 November 1992 to 30 April 1993 could be higher, resulting in additional savings under civilian staff and related costs, including salaries, common staff costs, mission subsistence allowance and travel costs.

25. The Committee notes that salaries and staff costs for international staff are based on standard salary costs for New York (annex IV, para. 7), which are on average higher than those from other duty stations. Considering that during the initial six-month period less than half of the international staff were from New York (see para. 12 above), the Committee believes that additional savings can be made under civilian staff costs.

26. The Committee observes that the functional responsibilities of the Professional posts are not indicated in the budget document (see para. 11 above). The Committee reiterates its view that the proposed establishment of

new posts, in particular at the senior level, should be well justified in the reports of the Secretary-General on the financing of peace-keeping operations, containing a description of the functional responsibilities of new posts in the context of the overall structure of the operation. The Committee believes that such information is essential for a careful and detailed assessment of the need for proposed new posts and the cost-effectiveness of the operation, as indicated in its report on ONUSAL (A/46/904, para. 16).

27. The Committee notes that in view of the increase in the cost of living in Somalia, approval has been given, as a special measure, for the payment of a non-pensionable bonus of 80 per cent of net salaries to locally recruited staff for the initial six-month period (annex II, para. 7) and the period from 1 November 1992 to 30 April 1993 (annex IV, para. 8) pending the results of the comprehensive salary survey in the mission area (annex II, para. 7). The Committee trusts that the outcome of the current survey will be indicated in the Secretary-General's performance report for the current period.

28. In that connection, the Committee was informed that no action has been taken yet with regard to the Committee's recommendation on the United Nations Transitional Authority in Cambodia (UNTAC), as endorsed by the General Assembly, to exclude local staff of peace-keeping operations from participating in the Pension Fund, which causes an avoidable increase in the cost of the operation without benefiting the staff and imposes an enormous administrative burden on the Fund (A/46/916, paras. 32 and 33). The Committee is of the view that appropriate arrangements should be made to cover disability cases through insurance or payment from the special account, which would be more cost-effective and less cumbersome than participation of all local staff in the Fund. The Committee recommends that the Secretary-General review the matter and report thereon in the context of his report on the administrative and budgetary aspects of the financing of peace-keeping operations to be submitted to the General Assembly at its forty-seventh session, in accordance with resolution 45/258 of 3 May 1991, with a view to containing the large costs of new operations and making their administration more efficient.

29. With regard to premises ($35,710,000), including construction of pre-fabricated buildings ($35,160,000) (annex IV, paras. 25-33), the Committee was informed that prefabricated units at a value of $11 million had been diverted from UNTAC to UNOSOM. Bearing in mind the Committee's view that it is not appropriate for Member States to be charged twice for the same item even though the charge would be a credit to the operation from which it has been transferred, as indicated in its report on ONUSAL (A/46/904, para. 9) and the United Nations Angola Verification Mission UNAVEM II (A/46/945, para. 27), the Committee was informed that there would be a consequent reduction in the budget estimate of $11 million.

30. In that connection, the Committee points out that it had difficulty analysing the estimates for premises owing to the lack of specific information on the design, configuration and capacity of buildings, number and types of common facilities included in the different housing units, location of staff

in the operational area and use of office premises and living accommodation for civilian and military personnel compared to other operations. In view of the considerable requirements for premises in the amount of $35,710,000, or about one third of the costs for the above period, the Committee reiterates its view that there is a need to substantiate in the budget document the requirements for premises and cost estimates in a detailed and comprehensive manner, specifying all units and identifying their location in the mission area with a breakdown of premises per unit and related costs.

31. The Committee notes, moreover, that the projected installation of prefabricated housing and the competitive bidding should be planned at the early stage of an operation to expedite the installation, thus saving rental costs and enhancing the efficiency of the operation. In view of the above and considering the possibility of establishing portable military camps, the Committee believes that there is potential for additional savings.

32. With regard to transportation ($3,150,600), the Committee notes that it is proposed to acquire 124 vehicles for UNOSOM, in addition to some contingent-owned vehicles (annex IV, paras. 35 and 36). The Committee believes that it would be useful to indicate the number of vehicles to be provided by troop contributors to make an assessment of the proposed vehicle establishment (see para. 22 above).

33. With regard to air operations, the Advisory Committee was informed, upon inquiry, that the provision for helicopters ($4,790,000) was intended to permit continuous monitoring of the progress of humanitarian relief of convoys and the evacuation of casualties from such convoys. For those purposes the five medium-sized helicopters would be equipped to transport up to four stretcher cases as well as to carry supplies. The Committee trusts that the requirement for all aircraft will be kept under review, taking into account also the assets at the disposal of other United Nations agencies (see para. 39 below).

34. The Committee was further informed that late arrival of aircraft will result in reduced requirements of $145,000.

35. The Committee notes that a provision of $2,256,000 is made for communications. The Committee was informed that capital equipment at a value of $190,000 was transferred from surplus communications equipment held in stockpiles of various operations. Bearing in mind the Committee's observations in paragraph 29 above, the Committee notes that this will result in a reduced requirement of $190,000.

36. The Committee further notes that it is planned to install a VSAT system ($1.7 million) to replace the current INMARSAT system (annex IV, para. 56, and para. 17 above). At the same time, provision of $180,000 is made for INMARSAT user charges for six months at the monthly rate of $30,000 (annex IV, para. 59). The Committee questions the need to continue the provision for INMARSAT user charges throughout the six-month period while provision of $800,000 for the acquisition of the preliminary equipment for a VSAT earth

station has already been made for the initial phase of UNOSOM (see para. 17 above) and the full installation of the new system is scheduled by the end of 1992. The Committee is of the view that the full provision for both systems from 1 November 1992 to 30 April 1993 is not necessary and that INMARSAT charges could be reduced upon the full installation of the VSAT earth station. The Committee believes that economies could be made through the more efficient use of communications equipment. In that connection, the Committee recalls its observation in its report on the United Nations Iraq-Kuwait Observation Mission (UNIKOM) concerning the need to ensure the acquisition of equipment that is compatible with the needs of the mission (A/45/1005, para. 18). The Committee further noted in its report on ONUSAL that the proposed equipment should not be more sophisticated than required for the operation and should be based on normal standards and actual needs, taking into account the local environment (A/46/904, para. 24).

37. As regards other equipment, provision is made for 60 electric typewriters at $750 each ($45,000) and 150 desktop computers with printers and software at a unit cost of $4,500 ($675,000) (annex IV, paras. 62 and 63). The Committee is of the view that the above rates are high for standard equipment.

38. The Committee was informed that the banking system in Somalia had collapsed as a result of the situation prevailing in the country at present and that all financial transactions had to be made in cash. Under the circumstances, the Committee points out that it is essential to establish firm internal control on all financial transactions, including detailed and up-to-date recording and close monitoring by certifying officers and supervisory staff.

39. The Committee points out the urgent need to coordinate effectively the operations of all United Nations agencies in Somalia under the authority of the Special Representative for Somalia. The Committee notes that effective coordination arrangements will enhance considerably the delivery of humanitarian assistance to Somalia and reduce resource requirements in premises, logistics, transportation, air operations and communications. According to information provided, other United Nations agencies, including the United Nations Development Programme (UNDP), the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF) have made significant provision for fixed-wing aircraft in the context of their own operations in Somalia, in addition to UNOSOM. The Committee trusts that the Special Representative of the Secretary-General will make every effort to achieve optimum coordination of all United Nations agencies operating in Somalia and that the arrangements will be indicated in detail in the report on the financial performance of UNOSOM.

40. The Committee points out, as it has done with regard to other operations (see A/46/893, para. 29, on UNPROFOR), that the Secretary-General's reports on the financing of peace-keeping operations should be more transparent, containing detailed organigrams of the organizational structure of the operation with the main functions of the personnel, specification of all units and identification of their location on a map of the mission area, breakdown

of premises per unit, allocation of vehicles in the various units and areas, narratives and charts on the functioning of communications systems, distribution of communications, office and other equipment, calculation of travel costs and a list of contingent-owned equipment. The Committee reiterates its view that such information is essential for a careful and detailed assessment of the proposed cost estimates of peace-keeping operations and trusts that it will be provided to the Committee on time when it examines the Secretary-General's performance report on the financing of UNOSOM for the period for 1 May 1992 to 30 April 1993.

41. The Committee expresses its concern that the recent reports of the Secretary-General on the financing of peace-keeping operations do not address the concerns of the Advisory Committee with regard to the proposed format and the costing of these operations, which need to be followed up effectively. The Committee intends to address those issues in the context of its consideration of the Secretary-General's report on the administrative and budgetary aspects of the financing of United Nations peace-keeping operations to be submitted to the General assembly at its forty-seventh session in accordance with resolution 45/258 (A/47/484).

42. In view of the Committee's observations and recommendations in paragraphs 10 to 41 above and the projected reduction in the estimate of $14,455,600 (see paras. 21, 29, 34 and 35 above), the Advisory Committee recommends that the General Assembly, at this stage, appropriate and assess for UNOSOM $6,953,100 gross ($6,741,600 net) for the period from 1 May to 31 October 1992 and $102,698,900 gross ($101,171,200 net) for the period from 1 November 1992 to 30 April 1993. As indicated in paragraph 7 above, bearing in mind the number of uncertainties with regard to UNOSOM, the Secretary-General intends to submit within the next six months a report to the Security Council on the situation in Somalia, including possible revisions in the operation, and he will also prepare a performance report on UNOSOM for the period 1 May 1992 to 30 April 1993. The Committee trusts that that report will contain detailed information on the performance of UNOSOM since its inception, taking into account the Committee's observations and recommendations, especially the areas where savings can be made. Under the circumstances, the Committee does not believe it is necessary to address at the present time cost estimates for the period after 30 April 1993. Commitment authorization and appropriation for that period should be subject to the action to be taken by the Security Council concerning the continuation of the mandate of UNOSOM.